

**BIRMINGHAM CITY COUNCIL  
BUDGET CONSULTATION 2013+**

**Public Consultation Meeting Report**

**Venue & Date: Erdington Six Ways Baptist Church, Wood End Road, Erdington, 11<sup>th</sup> December 2012**

**Introduction**

These notes are a summary of the discussion at the public consultation meeting on the proposals for Birmingham City Council's 2013 onwards Budget held in Erdington on 11<sup>th</sup> December 2012. The Leader of the Council, Sir Albert Bore, gave a presentation on the current financial position and on the difficult decisions that needed to be taken. Answers to questions and discussion points from the audience were provided by Council Cabinet Members (including the Leader). In this note, these answers are summarised in *italics* to distinguish from the discussion points.

**Attendance**

116 people attended the meeting on Tuesday 11<sup>th</sup> December. The attendees were from 24 different postcodes across the city.

**Summary**

- The two areas of greatest concern at the meeting were around the impact of the budget cuts on the most vulnerable and disadvantaged and on young people. However, with a few exceptions, there was also an understanding that the Council has been put in a difficult position by the Government and a desire for the Council to continue lobbying the Government to treat Birmingham more fairly and to provide a better grant settlement.
- On young people, there was a great deal of concern expressed about further reductions to the Connexions service (combined with the variable quality of careers service provided through schools) and the closure of youth clubs. The consequences for unemployment, safeguarding and community safety were emphasised. The need to monitor and challenge the responsibilities and funding that schools have in these areas was acknowledged, as was the transfer of these services to the Local Services Directorate which would provide greater opportunities for linkages and co-ordination with other locally-based activities.
- A common thread running through much of the discussion was that of safeguarding children and protecting other vulnerable groups. The importance of protecting voluntary sector specialist services that worked closely with these groups and which were already operating under severe financial pressures was stressed. Any decommissioning needed to be effectively and carefully managed.
- Cuts in preventative services, whether delivered directly by the Council or by Council-funded voluntary organisations, were identified by many as false economies, leading to increased costs for the Council and others in future years.
- There was also a more general point around market reshaping, delivering services in the community in different ways, and opportunities to raise more income through

partnerships and innovation. The potential of the Total Place approach involving co-ordination with other local service providers was acknowledged. Reference was made to the joint commissioning process with the NHS, the bulk purchasing framework and the services company that have been established by the Council to sell services to others.

### **Questions for Clarification**

- Are the figures for new savings shown in the 2013/14 savings Schedule in addition to the total savings figures or included in them? *They are included and they are the £71.3m proposed savings that are being consulted upon as the other £29.3m were consulted upon last year.*
- The Audit Report Letter on the matter of safeguarding children was very critical; has this been taken into account? *The Council is very aware of the 'Letter' and of the Ofsted Report findings; plus it recognises that Birmingham's spend in this area is higher than many comparable authorities. However, whilst money helps, the issue is more one of management.*
- The Council's income from 'Other Sources', what does that refer to? *It is the payments that the Council receives for the use of its facilities or services it provides, such as payments made by individuals to use a swimming pool or leisure centre. The money that is received from those different sources is not broken down into those different individual elements.*

### **Summary of Discussion**

<p><b>1. Views on the three Council Tax options</b></p> <ul style="list-style-type: none"> <li>• What would be the cost of holding a referendum on Council Tax? <i>It would be in some hundreds of £'000s. The matter is one we have been looking at, together with the issue of timing. We would also have to set two Budgets, one for a yes vote and one for a no vote, to enable the Council to implement the decision; this could be as late as April, 2013.</i></li> </ul>
<p><b>2. Key Concerns</b></p> <p><b>Children Young People &amp; Families</b></p> <p><b>Connexions:</b></p> <p>Great concern about the further cuts proposed to Connexions (careers) service were raised by several in the audience, with reference made to the variable quality of the careers advice being provided by schools and how the Council was going to ensure quality in the delivery its statutory level of service. This was of great concern in the context of the increasing level of youth unemployment in the City (with Erdington being a 'hot spot') contrary to the national trend, and the significant loss of jobs (70% reduction) within the Connexions service over the last two years and the current proposal which implies a further 30 job losses.</p> <p><i>It was acknowledged that the quality of service is unlikely to be as good and that the cuts over recent years have been quite savage. However, there has been a transfer of responsibility to schools and the Council cannot continue to deliver services that others are funded for and have responsibility for. Rather its role will be to monitor and</i></p>

*challenge to ensure that the service is being delivered in the best way. Additionally, the (remaining part of the) Connexions Service (we still have statutory responsibility for) has been moved to the Local Services Directorate which will help localise the service and integrate with other local services, in order that there is a better service out there in community, albeit with a reduced budget.*

### **Specialist Services in the Voluntary Sector:**

Concerns about the reduction in voluntary sector funding and need to protect specialist services within the voluntary sector that serves the most vulnerable were raised by several people. Specific reference was made to particular groups and services such as for women and children, young people on the autistic spectrum ('services are bursting at the seams') and people with disabilities. In addition, there was concern about the impact on the children's homes and disabled children's service.

The issue of effectively managing the transition of decommissioning process if funding was being cut was flagged up, such as with the Homestart service. ('Are we just supposed to stop support where there are children at risk?') How was all this to be reconciled with the poor Ofsted Report on safeguarding and services for vulnerable children and families? Such voluntary sector services provide savings to the Council in the long run.

*It was stressed that there are services the Council has to protect, such as in Children & Families and Local Services and in those areas there would not be cuts, but in others there will be. The Council is also looking at the Total Place approach, doing things differently, where you bring together and coordinate the services of the different agencies (e.g. Social Services, Health, Police) to meet the needs of an area. This is what is needed now.*

*It was also emphasised that the Directorate's priority was to protect vulnerable children. The hospital social work team has been brought in-house in response to Ofsted and other posts have been ring-fenced. The decision taken in relation to children's homes is a social rather than an economic one, in that children do better in an adoption and fostering family setting.*

*With regard to voluntary sector funding and the transition, we have looked at who is affected and how. It will also be managed carefully to make sure no-one falls through the cracks.*

### **Youth Clubs:**

The Budget proposes the closure of 30 youth clubs. This raises safeguarding and community safety issues. The schools used to fund £1 m. How will the Council restore the relationship and get the money back?

*The Directorate is in a very fragile position in relation to Ofsted. Its priority therefore has to be safeguarding. Moreover, our relationship has changed with schools. They now have the powers and the budget. For 'youth services' therefore, it was a double whammy, in that the Council still provides services, but the Schools Forum decided to stop providing its £1m to Youth Clubs and individual schools can choose not to buy back Youth Services from the Council. We have to recognise that schools have that responsibility and the Council will hold them to account, but there is also a role you can perform as parents by insisting that they fund youth clubs.*

**Nursery Schools:**

Are the 27 nursery schools funded by block grant?

*They are funded through the Dedicated Schools Grant, but they are also subsidised through the Early Intervention Grant through the Council. No Children's Centres are to close.*

**Adults & Communities**

**Vulnerable Groups:**

Glad to hear the word 'challenging' in relation to financial pressures. I represent disabled and elderly people. They are presently dying through the cuts in services. The Government tell us what we cannot do, but not what we can. Elderly and vulnerable people are not being looked after; people not fed and left in their own mess. Too much money is being misspent on management in Adults & Communities. We want to see a challenge to Government to stop the cuts and to give confidence to disabled people who need support.

*There are five different things to address in the points made. The first is the blunt reality that the Adults & Communities budget is not immune and has to share the burden of the cuts. Secondly, the issue of misspent money, that is part of the purpose of this consultation. If you can tell us about examples, do so; we have no interest in perpetuating the situation. The third allegation about people being left in their own mess is very serious and a safeguarding issue. Tell me the specific details after this meeting, so that they are followed up. Fourthly, we are working very closely with Members of Parliament. We are discussing with the Shadow Cabinet what a future administration needs to do to change the care system. Fifthly, as stated on page 22, of the Public Consultation document, a key focus for us is people with very serious or substantial needs.*

*There is also a need for a campaign to point out that Government is hitting those with the least who will be paying the most. The Council is currently running another consultation on Council Tax Benefit having had 10% of the funding available for this top-sliced by Government; which equates to £10.9m. The only group of people protected are pensioners. The scheme, the Council is consulting on extends that protection to disabled people and others.*

**Housing Related Support:**

Thousands of people will not get housing related support and there will be a massive increase in homelessness and in the application processing costs. Prevention is the key and low cost effective support services should have been kept in place. It saves the tax payer money. Could the cuts be made over a longer period than currently proposed?

*The Government's Welfare Reforms will lead to increasing the seriousness of other issues e.g. domestic violence, homelessness, prostitution and rough sleeping. The Council has a £41m budget to help the most vulnerable and to help people maintain a tenancy. Lots of effort is put in to working with service providers and users to identify better ways of spending the money and to ensure that it is spent on the vulnerable. Whilst we are trying our best to make efficiency savings, we will not do things that take services away from vulnerable people. However, we may find that some money is being misspent and we will want to address this.*

*The Council also has a Cabinet member for Social Inclusion and he has a role across all Directorates, which is to ensure that the things we have to do, do not impact unfairly on the most vulnerable. In relation to the Welfare Reforms agenda, we have pulled together a multi-agency task force to look at 3 broad things – (1) how we communicate, (2) how we can implement some of the things and still protect the most vulnerable, and (3) where can we push back at government – challenge and get them to approach matters in a different way.*

**Homelessness and Domestic Violence:**

Will specialist services, such as those for homeless people and on domestic violence be protected as they have specialist knowledge?

*The Supporting People budget is large one. It is impossible for it to be immune. However, the Council has good and able officers with excellent interaction with over 300 service providers and service users. We are also very mindful of the importance of spending on prevention and will look to make efficiency savings and back office cuts, whilst protecting front line services where we can. It may also be the case that some services the Council is currently buying may not be justified and need decommissioning.*

**Market Reshaping:**

On the matters of market reshaping and delivering services into the community in different ways, do you have any plans for what these future models will look like? The concern was also expressed that if market driven, they may end up being patchy and of poor quality; and, in addition, there is a need to meet our duty of care. The wording in the Consultation Document also feels woolly.

*The comments were welcomed and reference was made to 'Total Place' as an approach, where public, voluntary, community and, indeed, business organisations come together to jointly address an area's needs. The specific example was given of the Fire Service referring issues to the Council about needs and preventative work that they have identified.*

*It was acknowledged that there was a need to work together to develop and deliver those services. Rather than be market driven, we should jointly shape the market and would wish to talk further about that outside this meeting. It was also right to hold us to account about some of the wording.*

**Monitoring Services:**

On Supporting People, our organisation works in voluntary sector in monitoring services and through the voluntary citizens' panel. It does not know how long it can continue, as this would be dependent on budget. Is this being taken into account in the budget setting processes?

*Your organisation, Advocacy Matters is impressive and integral to the Adults & Communities Directorate. We are looking to protect the services provided by the voluntary and community sector with £9m expenditure allocated this year. The only money that is being saved in this area is a one-off underspend. Currently, your service is only in the North of Birmingham. We would wish to explore with you whether it could be developed citywide.*

*The foregoing is a micro example of what needs to be considered, but the whole area of Adult Social care is based on a model that dates from the Second World War which we are trying to apply in the 21<sup>st</sup> Century. We have to make changes to the way we do things; for instance, taking forward the Peace of Mind Bond initiative.*

## **Development and Culture**

### **Shelforce:**

Why are you closing Shelforce?

*The Cabinet yesterday took through a change for the organisation. This was to reduce it to a smaller number of employees. The reason being that over the past seven years, it has been making a loss (£1.7 m. loss this year). The Council cannot continue to justify that situation in the present financial climate. The decision, however, will put Shelforce on a sustainable footing from which it can grow and develop new products.*

## **Local Services**

### **Green Space:**

Are there no cuts for green space proposed? Is this an omission?

*We grow our own plants and can sell these to other organisations for a profit; so now looking at this area as a revenue generator. In the Highways area, we are consulting on proposed reduction in the level of maintenance of grass cutting and a 50% reduction in the floral boxes beside key roads.*

## **3. Impact**

Views were expressed that the greatest impacts would be felt amongst the most vulnerable groups, such as the elderly, the disabled, vulnerable adults, women and children with special needs. That impact would be reinforced by cuts to funding in the voluntary sector, which were already experiencing heavy levels of demand for their services. Other consequential impacts are likely to be experienced through increased issues of domestic violence and homelessness.

The cuts to the Connexions service would mean that young people were likely to be offered careers advice of variable quality within the school setting; with subsequent impact for their employment prospects. The youth club closures have the potential for impacts in matters of safeguarding and community safety.

## **4. Alternatives**

### **Oppose the Cuts and Set a Deficit Budget:**

The cuts proposed are dreadful. This administration should oppose the cuts from Government and not co-operate. We are only getting a Labour party perspective here. What would be the effect if Birmingham stood up to Government and broke the law? Get other councils to join with us. Birmingham should set a Needs Budget.

*We are here to run the authority as effectively as possible for the people of Birmingham, ensuring that we support the most vulnerable and the most in need, and ensuring that we tackle inequality. The Budget has to be balanced to be legal. Otherwise, by law, it will not be signed off by the Council's Finance Director.*

*In Liverpool when the then administration took a stance of defying the law, there was the obscene situation when redundancy notices were being delivered across that city by taxi. This Leader and his Cabinet are not going to back away from delivering a legal and*

*balanced budget. This is about a Council that is trying to protect services and local people; plus minimise the effect on those most disadvantaged. These are cuts, not savings. One thousand Council staff will lose their jobs. If we do not do this, then the Government will come in and do it but without our approach of minimising the negative impacts on the most vulnerable and those with the greatest need*

*Last year, during the budget consultations, there were no politicians at the top table. It was left to senior officers to explain the situation. In contrast, the new Council administration will not duck the issues. That is why the Council's Cabinet is here to give you an opportunity to ask questions, give your views and to speak to us afterwards.*

#### **5. Any other views or ideas?**

##### **Forming Partnerships:**

Have you thought about how to generate income such as through partnership or co-operatives with other agencies?

*We are learning from good practice in the area of future commissioning. The Adults & Communities Directorate now has a joint commissioning process with the NHS. The budgets are now under control, and we are now making modest savings together, without compromising services but, instead, improving outcomes. We are continuing this type of initiative with other partners.*

##### **Business Rates:**

Will you be reducing business rates for small businesses?

*The Council does not control the level of the Business Rate; central government does.*

##### **Cuts in Government Support**

In your presentation, you explained that if Birmingham was treated the same as the average for all local authorities, it would be receiving an additional £80m grant from central government. You said that you were challenging this. How and what else can be done?

*Yesterday, we got all the leaders of the major cities to make a joint challenge. Birmingham is not only the only authority badly affected, so we are looking for a joint campaign to persuade the Government to stop treating cities like ours unfairly.*

##### **Innovations:**

What innovations have come out of the budgetary challenge to date? Has the Council identified activities that are done better than elsewhere? Can we copyright and package our good ideas to others and become less passive in the process?

*A good example is through the Council's buying power to get very good deals, and we can set up framework agreements for other councils to use for a consideration. Joint venture is also an area, Service Birmingham and its business transformation activity made a saving of £1bn of expenditure for the Council. The Council has also set up the Acivico company, which we will be using to promote council services to the public and private sector. It is early days as yet with Acivico, with only the Building Consultancy service in there but we intend to take it further and generate more income to help provide services here.*